

DEPARTMENTS

§3-401

Article 4. Cogeneration

§3-402

§3-401 COGENERATION; PURPOSE. In order to comply with Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 and with the rules and regulations of the Federal Energy Regulatory Commission pertaining thereto, the following policies relating to interconnections of the electric system of the Municipality with cogeneration and small power production facilities, rates for sales of electric energy to such facilities, and rates for purchases of electric energy from such facilities are hereby established.

§3-402 COGENERATION; DEFINITIONS. For the purpose of this Article the following definitions will apply.

COGENERATION FACILITY means a facility which produces electric energy and steam or other forms of useful energy (such as heat) which are used for industrial, commercial, heating, or cooling purposes.

QUALIFYING COGENERATION FACILITY means a cogeneration facility that meets the requirements of the Federal Energy Regulatory Commission regarding ownership, fuel use, and operating and efficiency standards.

SMALL POWER PRODUCTION FACILITY means a facility which produces electric energy solely by the use, as a primary energy source, of biomass, waste, renewable resources, or any combination thereof totaling not greater than 80 megawatts at one site.

QUALIFYING SMALL POWER PRODUCTION FACILITY means a small power production facility that meets the requirements of the Federal Energy Regulatory Commission regarding ownership, fuel use, fuel efficiency, and reliability.

INTERCONNECTION COSTS means the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by the electric utility directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with a qualifying facility, to the extent such costs are in excess of the corresponding costs which the electric utility would have incurred if it had not engaged in interconnected operations, but instead generated an equivalent amount of electricity energy itself or purchased an equivalent

amount of electric energy itself or purchased an equivalent amount of electric energy or capacity from other sources. (Interconnection costs do not include any costs involved in the calculation of avoided costs.)

AVOIDED COSTS means the incremental costs to an electric utility of electric energy or capacity or both which, but for the purchase from qualifying facilities, such utility would generate itself or purchase from another source.

§3-403 COGENERATION; INTERCONNECTIONS WITH QUALIFYING FACILITIES. Qualifying facilities desiring to interconnect with the electric system of the Municipality shall make application to the Department of Utilities for such interconnection. Applicants shall use such forms as are prescribed by the Municipality and shall furnish all information requested.

The Municipality shall establish reasonable standards to be met by qualifying facilities to ensure system safety and reliability of interconnected operations. Such standards may include but shall not be limited to the following areas: power factor; voltage regulations; fault, overcurrent, and over-under voltage protection; harmonics; synchronization; and isolation.

Interconnection costs associated with the interconnection with a qualifying facility shall be paid for by such qualifying facility. Qualifying facilities shall be required to execute contractual agreements with the Municipality before any interconnection is established.

§3-404 COGENERATION; RATES FOR SALES OF ELECTRIC ENERGY TO QUALIFYING FACILITIES. Rates or sales of electric energy to qualifying facilities shall be those current standard rates adopted from time to time by resolution of the Mayor and City Council which apply to other customers of the utility in the same classification(s) of electric service.

§3-405 COGENERATION; RATES FOR PURCHASES OF ELECTRIC ENERGY FROM QUALIFYING FACILITIES. Rates for purchases of electric energy from qualifying facilities shall be established by resolution of the Mayor and City Council.

Such rates shall be just and reasonable to the electric consumer of the utility and in the public interest, shall not discriminate against qualifying cogeneration and small power production facilities, and shall be related to avoided costs; however, in no case is the utility required to pay more than the

avoided costs.

Standard rates shall be established for purchases from qualifying facilities with a design capacity of 100 kilowatts or less. Rates for purchases from qualifying facilities with a design capacity over 100 kilowatts may be standard rates or may be by individual contracts, the terms of which are fair and reasonable.